

GLANCY PRONGAY & MURRAY LLP
Lionel Z. Glancy (#134180)
Robert V. Prongay (#270796)
Lesley F. Portnoy (#304851)
Charles H. Linehan (#307439)
1925 Century Park East, Suite 2100
Los Angeles, California 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160
Email: info@glancylaw.com

Attorneys for Plaintiff
[Additional Counsel On Signature Page]

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

ARTHUR KAYE IRA FCC AS
CUSTODIAN DTD 6-8-00, Individually
and On Behalf of All Others Similarly
Situated.

Plaintiff.

V.

IMMUNOCELLULAR THERAPEUTICS,
LTD., DAVID FRACTOR, JOHN S. YU,
ANDREW GENGOS, MANISH SINGH,
LAVOS, LLC, LIDINGO HOLDINGS,
LLC, KAMILLA BJORLIN, ANDREW
HODGE, BRIAN NICHOLS, and
VINCENT CASSANO.

Defendants.

Case No.:

CLASS ACTION

COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 Plaintiff Arthur Kaye IRA FCC as Custodian DTD 6-8-00 (“Plaintiff”),
2 individually and on behalf of all other persons similarly situated, by its undersigned
3 attorneys, for its complaint against defendants, alleges the following based upon
4 personal knowledge as to itself and its own acts, and information and belief as to all
5 other matters, based upon, *inter alia*, the investigation conducted by and through its
6 attorneys, which included, among other things, a review of the defendants’ public
7 documents, conference calls and announcements made by defendants, United States
8 Securities and Exchange Commission (“SEC”) filings, wire and press releases
9 published by and regarding ImmunoCellular Therapeutics, Ltd. (“ImmunoCellular”
10 or the “Company”), analysts’ reports and advisories about the Company, and
11 information readily obtainable on the Internet. This complaint also incorporates by
12 reference the following respective action and cease-and-desist orders: *Securities and*
13 *Exchange Commission v. Lidingo Holdings, LLC*, 17-cv-02540, ECF No. 1
14 (S.D.N.Y. Apr. 10, 2017) (“Lidingo Action”), *In the Matter of Manish Singh and*
15 *Lavos, LLC*, File No. 3-17920 (SEC Apr. 10, 2017) (“Singh Cease-And-Desist
16 Order”), and *In the Matter of ImmunoCellular Therapeutics, Ltd.* File No. 3-17912
17 (SEC Apr. 10, 2017) (“ImmunoCellular Cease-And-Desist Order”). Plaintiff
18 believes that substantial evidentiary support will exist for the allegations set forth
19 herein after a reasonable opportunity for discovery.
20
21
22
23
24
25
26

NATURE OF THE ACTION

27
28 1. This is a federal securities class action on behalf of a class consisting of

1 all persons other than defendants who purchased or otherwise acquired
2 ImmunoCellular common stock on the open market from May 1, 2012 through
3 December 11, 2013, both dates inclusive (the “Class Period”), seeking to recover
4 damages caused by defendants’ violations of the federal securities laws and to
5 pursue remedies under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934
6 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder against the Company
7 and certain of its top officials.

8 2. ImmunoCellular is a development stage company that seeks to develop
9 imaging devices with medical diagnostic applications for the treatment of cancer,
10 such as brain, ovarian and other solid tumors. The Company’s lead product
11 candidate, ICT-107, is a dendritic cell-based vaccine targeting multiple tumor
12 associated antigens for glioblastoma multiforme (“GBM”), the most common and
13 lethal type of brain cancer.

14 3. Prior to and throughout the Class Period, ImmunoCellular and its
15 former Chief Executive Officer Manish Singh (“Singh”), were the primary
16 architects of a scheme, along with Lidingo Holdings, LLC (“Lidingo”), Kamilla
17 BJORLIN (“Bjorlin”), Andrew Hodge (“Hodge”), Brian Nichols ("Nichols"), and
18 Vincent Cassano ("Cassano"), to manipulate and artificially inflate the stock price of
19 ImmunoCellular.

20 4. Unbeknownst to the market and ImmunoCellular investors, beginning
21 in September 2011, ImmunoCellular hired Lidingo to pump up the value of
22

1 ImmunoCellular stock prior to and during the Class Period. This endeavor, included
2 a campaign of planting phony analyst reports and news articles that fawned over the
3 Company. In many cases, these phony media reports were written under aliases and
4 the authors failed to reveal that they were paid by Lidingo for writing these phony
5 media reports. In fact, a number of the articles themselves declared that they were
6 not paid promotions. The authors also failed to reveal that ImmunoCellular had
7 complete editorial control over their work.

8 5. By virtue of this scheme, the market was conditioned to believe that the
9 Company's clinical studies for its lead product candidate, ICT-107 were progressing
10 as the placement of these fraudulent media reports were often timed to coincide with
11 the Company announcements of ICT-107, so to have maximum impact upon
12 ImmunoCellular's share price.

13 6. For example, on May 31, 2012, the Company announced that it was
14 going to present new data from its completed Phase I clinical trial of ICT-107, at the
15 2012 Annual Meeting of the American Society of Clinical Oncology ("ASCO") on
16 June 2, 2012. The next day, and in advance of the June 2, 2012 ASCO presentation,
17 Stephen Ramey ("Ramey") under the pseudonym Chemistfrog published an article
18 on Seeking Alpha, entitled "ImmunoCellular Therapeutics ICT-107 to Impress at
19 ASCO 2012." However, Ramey failed to disclose that on May 18, 2012
20 ImmunoCellular had paid Lidingo \$25,000 and "that he had indirectly received
21 compensation from IMUC." ImmunoCellular Cease-And-Desist Order, at ¶ 6.
22
23
24
25
26
27
28

1 7. As a result of this scheme, ImmunoCellular's stock price rocketed to a
2 Class Period high of \$3.88 per share on June 1, 2012, from a price as low as \$1.53
3 per share prior to the initiation of the scheme.
4

5 8. On December 11, 2013, after the market closed, the Company revealed
6 that the intent-to-treat population which was the primary endpoint for its ICT-107
7 Phase II study "did not reach statistical significance" because it failed to increase
8 overall survival in patients diagnosed with glioblastoma multiforme.
9

10 9. As a result of the disclosure on December 11, 2013, ImmunoCellular
11 stock declined \$1.62 per share or nearly 60%, to close at \$1.10 per share on
12 December 12, 2013.
13

14 10. Finally, on April 10, 2017, in response to a proceeding initiated by the
15 SEC, Defendant Singh acknowledged that he participated "in a paid stock-touting
16 scheme" where he "edited and approved articles, directed writers should publish
17 articles and directed when and where those articles should be published" and
18 "directed that Lidingo not use writers who disclosed compensation." Singh Cease-
19 And-Desist Order, at ¶¶ 2, 7-8.
20

21 11. The SEC also announced on April 10, 2017 that it had initiated
22 enforcement actions against 27 individuals and entities behind various stock
23 promotion schemes that involved public companies including ImmunoCellular.
24 Specifically, as part of the SEC's enforcement actions, the SEC filed a lawsuit
25 against Lidingo and certain of its employees for paying "writers to generate
26
27
28

hundreds of bullish articles about public clients while concealing from investors that these were paid promotions." Lidingo Action, at ¶ 1.

12. As a result of defendants' wrongful acts and misleading statements and omissions, and the precipitous decline in the market value of the Company's common stock, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

13. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. § 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5).

14. This Court has jurisdiction over the subject matter of this action pursuant to § 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

15. Venue is proper in this District pursuant to §27 of the Exchange Act, 15 U.S.C. §78aa and 28 U.S.C. §1391(b), as the Company's principal place of business is located within this District.

16. In connection with the acts, conduct and other wrongs alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mail, interstate telephone communications and the facilities of a national securities exchange.

PARTIES

17. Plaintiff purchased ImmunoCellular common stock in reliance on defendants' materially false and misleading statements and omissions of material facts, and on the integrity of the market for ImmunoCellular common stock, at artificially inflated prices during the Class Period, and was damaged when the truth about ImmunoCellular was revealed to the market. The certification of Plaintiff, with a listing of its transactions in ImmunoCellular common stock during the Class Period, is annexed hereto.

18. Defendant ImmunoCellular is a Delaware corporation with its principal executive offices located at Calabasas, California. ImmunoCellular common stock trades on the New York Stock Exchange Market (“NYSE MKT”) under the ticker symbol “IMUC” as of May 30, 2012. Prior to May 30, 2012, ImmunoCellular common stock traded on the OTCBB under the ticker symbol “IMUC.”

19. Defendant David Fractor (“Fractor”) has served as the Company’s Treasurer and Chief Financial Officer (“CFO”) since April 2011 and as its Vice President of Finance and Principal Accounting Officer since March 2013.

20. Defendant John S. Yu (“Yu”), a founder of the Company, has served as Chairman of the Company’s Board of Directors and as its Chief Scientific Officer from January 2007 until September 2015. Defendant Yu served as Interim Chief Executive Officer from August 2012 until November 2012. Defendant Yu has served as a director since November 2006. During the Class Period, Defendant Yu

1 sold 300,000 shares of ImmunoCellular common stock, for gross proceeds of
2 approximately \$870,000. Defendant Yu's family trust, the Yu Family Trust offered
3 to sell 5,933,424 shares of ImmunoCellular common stock in a stock offering in
4 May 2012.

6 21. Defendant Andrew Gengos ("Gengos") served as the Company's
7 President and Chief Executive Officer from December 2012 through December
8 2016. Defendant Gengos has served as a director since December 2012.

10 22. Defendant Singh was ImmunoCellular's President, Chief Executive
11 Officer ("CEO") and a director from February 2008 through August 20 2012. On
12 August 20, 2012, Defendant Singh resigned effective immediately, from the CEO,
13 President, and director positions. From 2011 until 2014, Defendant Singh controlled
14 Lavos, LLC and helped direct the activities of stock promotion firm Lidingo.

17 23. Defendant Lavos was formed in Nevada in 2011. From 2011 to 2014,
18 Lavos, which was controlled and operated by Defendant Singh, provided
19 promotional services to issuers that included the publication of more than 400
20 articles promoting securities on various investment websites.

22 24. Defendant Lidingo was a Nevada limited liability company that was
23 formed in 2011 and dissolved in 2014. Lidingo was owned and operated by
24 Defendant Bjorlin. During its existence, Lidingo provided promotional services to
25 issuers, and directed the publication on various investment websites of over 400
26 articles about its issuer clients and the clients of an affiliated promotional services

1 company, Lavos, with which Lidingo shared compensation.

2 25. Defendant Bjorlin organized and operated Lidingo from no later than
3 September 2011 through at least March 2014, she directed Lidingo's stock
4 promotion services on behalf of publicly-traded issuer clients, often using her stage
5 name, Milla Bjorn.

6 26. Defendant Hodge, from no later than December 2011 through at least
7 March 2014, he was employed by Lidingo and assisted Bjorlin in Lidingo's stock
8 promotion work, including interacting with issuer clients and providing direction to
9 writers drafting articles on behalf of those clients.

10 27. Brian Nichols ("Nichols"), from no later than February 2012 through at
11 least March 2014, he was a paid writer for Lidingo, publishing articles about issuer
12 clients on various investment websites under his own name. Nichols also wrote paid
13 articles which Lidingo published under its own pseudonyms, including A. John
14 Hodge, The Swiss Trader, Amy Baldwin, Trading Maven, Henry Kawabe, Teresa
15 Dawn and Leopold Epstein. In respect to ImmunoCellular, Nichols published
16 approximately 24 articles between September 2011 and August 2012 using his own
17 name or one of his pseudonyms.

18 28. Vincent Cassano ("Cassano"), from no later than August 2011 through
19 at least November 2011, he was a paid writer for Lavos, publishing at least five
20 articles about an issuer client of Lavos on investment websites under the pseudonym
21 VFC's Stock House. In addition, from no later than November 2011 through at least

April 2013, he was a paid writer for Lidingo, publishing articles about issuer clients on investment websites, also under pseudonym VFC's Stock House. In respect to ImmunoCellular, Cassano published approximately 24 articles between September 2011 and August 2012 using his pseudonym, VFC's Stock House.

29. The defendants referenced above in ¶¶ 19-22 are sometimes referred to herein as the “Individual Defendants.”

30. The defendants referenced above in ¶¶ 24-28 are sometimes referred to herein as the “Lidingo Defendants.”

31. The defendants referenced above in ¶¶ 19-28 are sometimes referred to herein as the “Defendants.”

SUBSTANTIVE ALLEGATIONS

Background

a. Publications Targeted by Defendants

32. According to an investor publication issued by the SEC explains that:

Paid Promoters: Some microcap companies pay stock promoters to recommend or “tout” the microcap stock in supposedly independent and unbiased investment newsletters, research reports, or radio and television shows.... The federal securities laws require the publications to disclose who paid them for the promotion, the amount, and the type of payment. But many fraudsters fail to do so and mislead investors into believing they are receiving independent advice.

U.S. Securities and Exchange Commission, *Microcap Stock: A Guide for Investors* (Sept. 18, 2013).

1
2 33. Seeking Alpha is a financial news and analysis website. It publishes
3 third party reports, analysis, and commentary as articles, and permits open
4 discussion of the articles. Seeking Alpha allows authors to write about individual
5 issuers and permits users comment on these articles.
6
7

8 34. Seeking Alpha permits posting of articles pseudonymously, but has an
9 author's code of conduct:
10

- 11 a. Authors must disclose any position in any company they write
12 about;
- 13 b. Authors cannot be paid promoters;
- 14 c. Authors cannot use multiple aliases without disclosure to
15 Seeking Alpha, who may then take appropriate action to ensure
16 readers are not misled; and
- 17 d. Authors must provide Seeking Alpha with their actual names and
18 contact information.

19 35. Each article published on Seeking Alpha must include the following
20 disclosure:
21

22 Disclosure: The author has no position in [the stock discussed in the
23 article] and no plans to initiate one in the next 72 hours [or, if the
24 author has a short or long position, the type of position.] The author
25 wrote this article themselves, and it expresses their own opinions. The
26 author is not receiving compensation for it (other than from Seeking
27 Alpha). The author has no business relationship with any company
28 whose stock is mentioned in this article.

29 36. Benzinga is another financial news and analysis website. Specifically,
30 Benzinga is a financial media outlet that provides investors with “high-quality,
31 unique content that is coveted by Wall Street’s top traders. Benzinga provides
32 timely, actionable ideas that help users navigate even the most uncertain and volatile
33

1 markets – in real-time with an unmatched caliber.”

2 **b. Company background**

3 37. According to the Company’s Form 10-K for the year ended December
4 31, 2012, filed with the SEC on March 11, 2013 (“2012 Form 10-K”), the Company
5 employed five full-time employees. According to the 2012 10-K, ImmunoCellular
6 “is a clinical-stage biotechnology company that is developing immune-based
7 therapies for the treatment of cancer, such as brain, ovarian and other solid tumors.
8 Immunotherapy is an emerging approach to treating cancer in which a patient’s own
9 immune system is stimulated to target tumor antigens, which are molecular signals
10 that the immune system uses to identify foreign bodies.” The Company’s
11 “technology can elicit an immune response against several antigens.” The
12 Company’s “cancer immunotherapies are also distinguished by the fact that they
13 target cancer stem cells (CSCs), which are the primary drivers of tumor growth and
14 disease recurrence.” The Company’s lead pipeline product during the Class Period
15 is ICT-107, “a Phase II therapeutic dendritic cell (DC) vaccine for the treatment of
16 glioblastoma multiforme (GBM), the most common and lethal type of brain cancer.
17 ICT-107 is designed to activate a patient’s immune system to target six different
18 tumor-associated antigens. The company is conducting a Phase IIb, double-blind,
19 placebo-controlled, 2:1 randomized, multicenter clinical trial to evaluate the safety
20 and efficacy of ICT-107 in patients with newly diagnosed GBM. From January
21 2011 until September 2012, the clinical study enrolled 278 patients at 25 centers
22
23
24
25
26
27
28

1 throughout the U.S. and 124 patients have been randomized.”

2 **c. ImmunoCellular Retains Lidingo to Manipulate its Stock Price**

3 38. In September 2011, ImmunoCellular and Singh entered into a contract
 4 with Lidingo. The contract provided that Lidingo “develop and execute an online
 5 distribution campaign that will prominently place the [IMUC] investment
 6 opportunity in front of retail investors with an interest in early stage biotech
 7 companies.” Singh Cease-And-Desist Order, at ¶ 10. The contract required
 8 ImmunoCellular to pay Lidingo \$5,000 a month. ImmunoCellular, through Singh,
 9 paid Lidingo more than \$230,000 between September 2011 and August 2012. *Id.*
 10

11 39. Between September 2011 and August 2012, Lidingo paid writers to
 12 publish articles describing ImmunoCellular on Seeking Alpha and Benzinga. *Id.* In
 13 addition, Lidingo paid writers to ghost-write articles about ImmunoCellular, which
 14 Lidingo then published on Seeking Alpha’s website under Lidingo-selected
 15 pseudonyms. *Id.* The articles were written by at least six writers paid by Lidingo
 16 either on a salary or per article basis. Lidingo Action, at ¶ 75. However, no article
 17 was accompanied by a disclosure indicating the writer, or person identified in the
 18 byline, had been compensated or the amount of his compensation.
 19

20 40. The articles about ImmunoCellular published on Seeking Alpha and
 21 Benzinga “were intended to solicit offers to buy the company’s securities” as
 22 “Seeking Alpha operated a widely-read website that held itself out as a ‘platform for
 23 investment research, with broad coverage of stocks, asset classes, ETFs and

investment strategy’ where ‘articles frequently move stocks, due to a large and influential readership which includes money managers, business leaders, journalists and bloggers.’” ImmunoCellular Cease-And-Desist Order, at ¶ 11.

Materially False and Misleading Statements Issued Prior to the Class Period

41. Prior to the institution of the promotional scheme (*e.g.*, from January 2, 2011 through August 31, 2011), ImmunoCellular common stock traded in a range of \$1.35 per share through \$2.51 per share.

42. Prior to the Class Period, beginning in September 2011, Lidingo and/or Lavos published approximately 44 articles on Seeking Alpha and Benzinga, without disclosing the writers' or Lidingo's compensation from ImmunoCellular or otherwise suggested that the articles were part of a paid promotion. On November 8, 2011, Ramey using a pseudonym Chemistfrog published an article on Seeking Alpha entitled, "ImmunoCellular Therapeutics' Cancer Stem Cell Drug Garnering Much Attention."

43. On January 18, 2012, Cassano, using his pseudonym VFC's Stock House published an article on Seeking Alpha entitled, "Another Revival Could Be In Store for ImmunoCellular Therapeutics" where the author represented that ImmunoCellular's ICT-107 as being "a potentially ground-breaking immunotherapeutic treatment for glioblastoma" and it has "already proven to be very successful in Phase I, and interim results form an ongoing Phase II should start

1 trickling in within the year.”

2 44. As a result, ImmunoCellular stock increased nearly 4% on January 18,
3 2012 and gained an additional 8% on January 19, 2012.

4 45. On February 16, 2012, Nichols published an article on Seeking Alpha
5 entitled, “10 Biotech Stocks with Big Potential Upside in 2012: Part III.” Without
6 disclosing that he was compensated from ImmunoCellular or disclose that the article
7 was part of a paid promotion, the writer placed ImmunoCellular second in the list of
8 10 biotech stocks discussed in the article.

9 46. Furthermore, Nichols failed to disclose that on February 8, 2012,
10 Defendant Singh had reviewed the Nichols’ article topic and noted that “the article
11 topic was a ‘[v]ery good idea as I think it would move these stocks’ and suggested
12 that IMUC be the second company mentioned in the article’s discussion of several
13 biotech stocks.” Singh Cease-And-Desist Order, at ¶ 16.

14 47. On March 21, 2012, the Company filed a Form 10-K (“2011 Form 10-
15 K”) with the SEC for the year ended December 31, 2011, which was signed by,
16 Singh, Yu and Fractor. In addition, the 2011 Form 10-K contained signed
17 certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants
18 Singh and Fractor, stating that the financial information contained in the 2011 Form
19 10-K was accurate and disclosed any material changes to the Company’s internal
20 control over financial reporting.

21 48. The 2011 Form 10-K represented the following concerning the

1 Company's Controls and Procedures, in relevant part:

2 We maintain disclosure controls and procedures that are designed to
3 ensure that information required to be disclosed in the reports that we
4 file with the SEC under the Exchange Act is recorded, processed,
5 summarized and reported within the time periods specified in the
6 SEC's rules and forms and that such information is accumulated and
7 communicated to our management, including our principal executive
8 and financial officers, as appropriate, to allow for timely decisions
9 regarding required disclosure. As required by SEC Rule 15d-15(b), we
10 carried out an evaluation, under the supervision and with the
11 participation of our management, including our principal executive and
12 financial officers, of the effectiveness of the design and operation of
13 our disclosure controls and procedures as of December 31, 2011, which
14 is the end of the period covered by this report. Based on the foregoing,
15 our principal executive and financial officers concluded that our
16 disclosure controls and procedures were effective as of December 31,
17 2011.

18 49. In the 2011 Form 10-K, the Company also represented certain risks
19 related to its common stock and possible fluctuations in its stock price:

20 The shares of our common stock may trade infrequently and in low
21 volumes on the OTC Bulletin Board, meaning that the number of
22 persons interested in purchasing our common shares at or near bid
23 prices at any given time may be relatively small or non-existent. This
24 situation may be attributable to a number of factors, including the fact
25 that we are a small early stage company which is relatively unknown to
26 stock analysts, stock brokers, institutional investors and others in the
27 investment community who can generate or influence sales volume,
28 and that even if we came to the attention of such institutionally oriented
persons, they tend to be risk-averse in this environment and would be
reluctant to follow an early stage company such as ours or purchase or
recommend the purchase of our shares until such time as we became
more seasoned and viable. As a consequence, there may be periods of
several days or more when trading activity in our shares is minimal or
non-existent, as compared to a seasoned issuer which has a large and
steady volume of trading activity that will generally support continuous
sales without an adverse effect on share price. A broader or more active
public trading market for our common shares may not develop or be

1 sustained. Due to these conditions, you may not be able to sell your
2 shares at or near bid prices or at all if you need money or otherwise
3 desire to liquidate your shares. As a result, investors could, and should
be prepared to, lose all or part of their investment.

4 50. The 2011 Form 10-K noted that the Company's "Board of Directors
5 has adopted a code of ethics covering all of our executive officers and key
6 employees" and its "code of ethics is available on our website www.imuc.com."

7 51. According to the Company's Code of Business Conduct and Ethics
8 ("Code"), the "objective of this Code is to ensure full, fair, accurate, timely and
9 understandable disclosure in the reports and other documents that we file with, or
10 otherwise submit to, the SEC and in the press release and other public
11 communications that we distribute."

12 52. The Code further state the following in respect to the Company's
13 "Public Disclosure of Information Required by the Securities Laws:"

14 The federal securities laws, rules and regulations require the Company
15 to maintain "disclosure controls and procedures," which are controls
16 and other procedures that are designed to ensure that financial
17 information and non-financial information that is required to be
18 disclosed by us in the reports that we file with or otherwise submit to
19 the SEC (i) is recorded, processed, summarized and reported within the
20 time periods required by applicable federal securities laws, rules and
21 regulations and (ii) is accumulated and communicated to our
22 management, including our President or Chief Executive Officer and
23 CFO, in a manner allowing timely decisions by them regarding
24 required disclosure in the reports.

25 53. On March 22, 2012, Nichols published an article on Seeking Alpha
26 entitled "ImmunoCellular Therapeutics Patent Acquisition Paradigm Shift" and less
27 than a week later, on March 28, 2012, Ramey, using his pseudonym Chemistfrog

1 published an article on Seeking Alpha entitled, “ImmunoCellular Therapeutics”
2 Growing Intellectual Property Garnering Attention.” Singh Cease-And-Desist
3 Order, at ¶ 15.
4

5 54. However, “[n]either writer disclosed his receipt of compensation from
6 IMUC or otherwise suggested that the articles were part of a paid promotion.” *Id.*
7 Moreover, the articles failed to disclose that two articles were specifically published
8 under the instructions of Singh. On March 21, 2012, “Singh instructed Lidingo to
9 arrange for two articles to be written about IMUC by two specific Lidingo writers.”
10 *Id.* Singh “asked that the first writer focus on IMUC building a stronger patent
11 portfolio and wanted the article to be published later that week” and he also “asked
12 that the second writer produce a longer, “‘more technical piece,’” to be published
13 the following week. *Id.*
14

15 55. The statements in ¶¶ 42-43; 45-49; 51-53 were false and misleading as
16 (i) ImmunoCellular retained Lidingo to publish promotional articles designed to
17 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
18 Defendants was manipulating ImmunoCellular’s stock price through an unlawful
19 paid promotional campaign; and (iii) Defendant Singh directly, reviewed, edited and
20 approved promotional articles prior to publication for the purpose of manipulating
21 ImmunoCellular stock; (iv) ImmunoCellular failed to disclose that the most likely
22 cause of fluctuations in its stock price was its own unlawful campaign to pay stock
23 promoters to pump its stock; and (iv) the promotional articles failed to disclose that
24
25
26
27
28

the authors were compensated from ImmunoCellular or disclose that the articles were part of a paid promotional campaign.

***Materially False and Misleading
Statements Issued During the Class Period***

6 56. During the Class Period, Lidingo and/or Lavos published
7 approximately 21 articles on Seeking Alpha, without disclosing the writers' or
8 Lidingo's compensation from ImmunoCellular or otherwise suggested that the
9 articles were part of a paid promotion.
10

First Quarter ended March 31, 2012

12 57. On May 1, 2012, Cassano, utilizing his pseudonym VFC's Stock House
13
14 published an article on Seeking Alpha entitled, "Immunocellular Therapeutics: Any
15 Pullback May Mean Opportunity." Similar to previous articles, Cassano or VFC's
16 Stock House failed to disclose that he was compensated from ImmunoCellular or
17 disclose that the article was part of a paid promotion.
18

19 58. On May 10, 2012, the day before the Company filed its Form 10-Q for
20 the quarterly period ended March 31, 2012, Nichols wrote an article entitled “Pre-
21 ASCO Interview with ImmunoCellular Therapeutics CEO Dr. Singh” on Seeking
22 Alpha.
23

24
25 59. As a result, ImmunoCellular stock gained over 4% and closed at \$2.52
26 per share on May 10, 2012 and gained an additional 7.9% and closed at \$2.72 per
27 share on May 11, 2012.

1 60. The next day, on May 11, 2012, the Company filed a Form 10-Q (“1Q
2 2012 Form 10-Q”) with the SEC for the quarterly period ended March 31, 2012,
3 which was signed by, Defendant Singh. In addition, the 1Q 2012 Form 10-Q
4 contained signed certifications pursuant to SOX by Defendants Singh and Fractor,
5 stating that the financial information contained in the 1Q 2012 10-Q was accurate
6 and disclosed any material changes to the Company’s internal control over financial
7 reporting.
8

9
10 61. The 1Q 2012 Form 10-Q represented the following concerning the
11 Company’s Controls and Procedures, in relevant part:
12

13 As of the end of the fiscal quarter covered by this report, we carried out
14 an evaluation, under the supervision and with the participation of our
15 principal executive officer and principal financial officer, regarding the
16 effectiveness of the design and operation of our disclosure controls and
17 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act. Based upon that
18 evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2012, (i) our
19 disclosure controls and procedures were effective to ensure that
20 information that is required to be disclosed by us in reports that we file
21 under the Exchange Act is recorded, processed, summarized and
22 reported or submitted within the time period specified in the rules and
23 forms of the SEC and (ii) our disclosure controls and procedures were
24 effective to provide reasonable assurance that material information
25 required to be disclosed by us in the reports we file or submit under the
26 Exchange Act was accumulated and communicated to our management
as appropriate to allow timely decisions regarding required disclosure.
There were no changes in our internal control over financial reporting
that occurred during the period covered by this report that have
materially affected, or are reasonably likely to materially affect, our
internal control over financial reporting.

27 We do not expect that our disclosure controls and procedures and
28 internal control over financial reporting will prevent all error and all

1 fraud. A control system, no matter how well conceived and operated,
 2 can provide only reasonable, not absolute, assurance that the objectives
 3 of the control system are met. Because of the inherent limitations in all
 4 control systems, no evaluation of controls can provide absolute
 5 assurance that all control issues and instances of fraud, if any, within
 6 our company have been detected. The design of any system of controls
 7 also is based in part upon assurance that any design will succeed in
 8 achieving its stated goals under all potential future conditions.
 9 However, controls may become inadequate because of changes in
 10 conditions or the degree of compliance with the policies or procedures
 11 may deteriorate. Because of the inherent limitations in a cost-effective
 12 control system, misstatements due to error or fraud may occur and not
 13 be detected.

14 62. The statements in ¶¶ 57-58; 60-61 were false and misleading as (i)
 15 ImmunoCellular retained Lidingo to publish promotional articles designed to
 16 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
 17 Defendants was manipulating ImmunoCellular's stock price through an unlawful
 18 paid promotional campaign; and (iii) Defendant Singh directly, reviewed, edited and
 19 approved promotional articles prior to publication for the purpose of manipulating
 20 ImmunoCellular stock; (iv) ImmunoCellular failed to disclose that the most likely
 21 cause of fluctuations in its stock price was its own unlawful campaign to pay stock
 22 promoters to pump its stock; and (iv) the promotional articles failed to disclose that
 23 the authors were compensated from ImmunoCellular or disclose that the articles
 24 were part of a paid promotional campaign.

25 **May 2012 Offering**

26 63. On May 14, 2012, the Company filed a prospectus on a Form 424B3
 27 dated May 9, 2012 ("May 9, 2012 Prospectus"), related to an offering of up to

1 13,471,326 shares of ImmunoCellular common stock by some of ImmunoCellular
2 stockholders, including the Yu Family Trust. The Yu Family Trust offered to sell
3 5,993,424 shares of ImmunoCellular common stock. The May 9, 2012 Prospectus
4 was part of a registration statement on a Form SB-2 dated and filed on July 12, 2007
5 (collectively, “May 2012 Registration Statement”).
6

7 64. ImmunoCellular represented in the May 2012 Registration Statement
8 on possible fluctuations in its stock price:

9 10 The market price of our common stock is likely to be volatile and could
11 fluctuate widely in response to many factors, including:

- 12 • announcements of the results of clinical trials by us or our
13 competitors;
14 • developments with respect to patents or proprietary rights;
15 • announcements of technological innovations by us or our competitors;
16 • announcements of new products or new contracts by us or our
17 competitors;
18 • actual or anticipated variations in our operating results due to the level
19 of development expenses and other factors;
20 • changes in financial estimates by securities analysts and whether our
21 earnings meet or exceed such estimates;
22 • conditions and trends in the pharmaceutical and other industries;
23 • new accounting standards;
24 • general economic, political and market conditions and other factors;
25 and
26 • the occurrence of any of the risks described in this report.

27 65. The statements in ¶ 64 were false and misleading because
28 ImmunoCellular omitted that the most likely cause of fluctuations in its stock price
was its own unlawful campaign to pay stock promoters to pump its stock.

29 **New Data From Phase I of ICT-107**

30 66. On May 31, 2012, the Company issued a press release announcing that

1 “it will present new data from the previously completed Phase I clinical trial of ICT-
2 107, the Company's lead cancer vaccine candidate for the treatment of glioblastoma
3 multiforme (GBM), at the 2012 Annual Meeting of the American Society of Clinical
4 Oncology (ASCO) in Chicago, IL” on June 2, 2012.

5 67. The next day, on June 1, 2012, Ramey under the pseudonym
6 Chemistfrog published an article about ImmunoCellular on Seeking Alpha, entitled
7 “ImmunoCellular Therapeutics ICT-107 to Impress at ASCO 2012,” after receiving
8 payment from Lidingo. ImmunoCellular Cease-And-Desist Order, at ¶ 6. However,
9 the writer failed to “disclose in the article that he had indirectly received
10 compensation from IMUC” as ImmunoCellular paid Lidingo \$25,000 on May 18,
11 2012. *Id.*

12 68. As a result, ImmunoCellular stock gained nearly 5% and closed at
13 \$3.88 per share on June 1, 2012.

14 69. The statements in ¶¶ 66-67 were false and misleading as (i)
15 ImmunoCellular retained Lidingo to publish promotional articles designed to
16 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
17 Defendants was manipulating ImmunoCellular's stock price through an unlawful
18 paid promotional campaign; and (iii) Defendant Singh directly, reviewed, edited and
19 approved promotional articles prior to publication for the purpose of manipulating
20 ImmunoCellular stock; (iv) ImmunoCellular failed to disclose that the most likely
21 cause of fluctuations in its stock price was its own unlawful campaign to pay stock
22
23
24
25
26
27
28

1 promoters to pump its stock; and (iv) the promotional articles failed to disclose that
 2 the authors were compensated from ImmunoCellular or disclose that the articles
 3 were part of a paid promotional campaign.
 4

5 **June 2012 Offering**

6 70. On June 27, 2012, the Company filed a prospectus on a Form 424B3
 dated June 25, 2012 (“June 25, 2012 Prospectus”) related to an offering of
 9 4,249,625 shares of ImmunoCellular common stock at \$1.41 per share from time to
 10 time upon exercise of currently outstanding five-year warrants that the Company
 11 issued in January 2012. The June 25, 2012 Prospectus was part of a registration
 12 statement on a Form S-1 that the Company filed with the SEC on November 29,
 13 2011 (collectively, “June 2012 Registration Statement”).
 14

15 71. ImmunoCellular represented in the June 2012 Registration Statement
 16 on possible fluctuations in its stock price:

17
 18 The shares of our common stock may trade infrequently and in low
 19 volumes on the NYSE MKT, meaning that the number of persons
 20 interested in purchasing our common shares at or near bid prices at any
 21 given time may be relatively small or non-existent. This situation may
 22 be attributable to a number of factors, including the fact that we are a
 23 small early stage company which is relatively unknown to stock
 24 analysts, stock brokers, institutional investors and others in the
 25 investment community who can generate or influence sales volume,
 26 and that even if we came to the attention of such institutionally oriented
 27 persons, they tend to be risk-averse in this environment and would be
 28 reluctant to follow an early stage company such as ours or purchase or
 recommend the purchase of our shares until such time as we became
 more seasoned and viable. As a consequence, there may be periods of
 several days or more when trading activity in our shares is minimal or
 non-existent, as compared to a seasoned issuer which has a large and

1 steady volume of trading activity that will generally support continuous
 2 sales without an adverse effect on share price. A broader or more active
 3 public trading market for our common shares may not develop or be
 4 sustained. Due to these conditions, you may not be able to sell your
 5 shares at or near bid prices or at all if you need money or otherwise
 desire to liquidate your shares. As a result, investors could, and should
 be prepared to, lose all or part of their investment.

6 72. The statements in ¶ 71 were false and misleading because they omitted
 7 that the most likely cause of fluctuations in its stock price was its own unlawful
 8 campaign to pay stock promoters to pump its stock.
 9

10 **Second Quarter Ended June 30, 2012**

11 73. On July 17, 2012, Lidingo published an article on Seeking Alpha
 12 entitled “3 Innovative Cancer Treatments...But Which is the Best Bet?” under the
 13 pseudonym “The Swiss Trader.” However, the article failed to disclose that on July
 14 2, 2012, ImmunoCellular paid Lidingo \$25,000 and “Singh provided edits to the
 15 article, which were incorporated into the published version.” Singh Cease-And-
 16 Desist Order, at ¶ 13.
 17

18 74. On July 26, 2012, before the market opened, Lidingo under the
 19 pseudonym Amy Baldwin published an article on Seeking Alpha entitled, “5
 20 Momentum Stocks With Pullbacks That Could Be Your Opportunity.” The article
 21 represented that ImmunoCellular recent stock loss “is nothing more than a bump in
 22 the road, and that it will resume its bullish trends in the immediate future” as the
 23 Company’s “study results showing that 37% of the patients treated with the
 24 company’s lead candidate have no signs of brain cancer following 44-63 months
 25
 26
 27
 28

1 after treatment (compared to just 6% for standard care alone), it appears as though a
2 significant amount of upside exists for this stock.” The article also represented that
3 ImmunoCellular “is still in the early stages of its rally” because “the company is
4 enrolling for its new trial [ICT-107] and has already reached 213 patients, and has
5 done so 3 times faster than other studies for glioblastoma multiforme, which shows
6 a level of acceptance and excitement among both physicians and patients.”
7

8 75. As a result, ImmunoCellular stock gained 1.4% and closed at \$2.85 per
9 share July 26, 2012, and gained an additional 9% and closed at \$3.11 per share on
10 July 27, 2012.
11

12 76. On August 14, 2012, the Company filed a Form 10-Q (“2Q 2012 Form
13 10-Q”) with the SEC for the quarterly period ended June 30, 2012, which was
14 signed by, Defendant Singh. In addition, the 2Q 2012 Form 10-Q contained signed
15 certifications pursuant to SOX by Defendants Singh and Fractor, stating that the
16 financial information contained in the 2Q 2012 Form 10-Q was accurate and
17 disclosed any material changes to the Company’s internal control over financial
18 reporting.
19

20 77. The 2Q 2012 Form 10-Q represented the following concerning the
21 Company’s Controls and Procedures, in relevant part:
22

23 As of the end of the fiscal quarter covered by this report, we carried out
24 an evaluation, under the supervision and with the participation of our
25 principal executive officer and principal financial officer, regarding the
26 effectiveness of the design and operation of our disclosure controls and
27 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act.
28

1 Based upon that evaluation, our principal executive officer and
2 principal financial officer concluded that, as of June 30, 2012, (i) our
3 disclosure controls and procedures were effective to ensure that
4 information that is required to be disclosed by us in reports that we file
5 under the Exchange Act is recorded, processed, summarized and
6 reported or submitted within the time period specified in the rules and
7 forms of the SEC and (ii) our disclosure controls and procedures were
8 effective to provide reasonable assurance that material information
9 required to be disclosed by us in the reports we file or submit under the
10 Exchange Act was accumulated and communicated to our management
11 as appropriate to allow timely decisions regarding required disclosure.
There were no changes in our internal control over financial reporting
that occurred during the period covered by this report that have
materially affected, or are reasonably likely to materially affect, our
internal control over financial reporting.

12 We do not expect that our disclosure controls and procedures and
13 internal control over financial reporting will prevent all error and all
14 fraud. A control system, no matter how well conceived and operated,
15 can provide only reasonable, not absolute, assurance that the objectives
16 of the control system are met. Because of the inherent limitations in all
17 control systems, no evaluation of controls can provide absolute
18 assurance that all control issues and instances of fraud, if any, within
19 our company have been detected. The design of any system of controls
20 also is based in part upon assurance that any design will succeed in
21 achieving its stated goals under all potential future conditions.
However, controls may become inadequate because of changes in
conditions or the degree of compliance with the policies or procedures
may deteriorate. Because of the inherent limitations in a cost-effective
control system, misstatements due to error or fraud may occur and not
be detected.

22 78. The statements in ¶¶ 73-74; 76-77 were false and misleading as (i)
23 ImmunoCellular retained Lidingo to publish promotional articles designed to
24 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
25 Defendants was manipulating ImmunoCellular's stock price through an unlawful
26 paid promotional campaign; and (iii) Defendant Singh directly, reviewed, edited and
27
28

1 approved promotional articles prior to publication for the purpose of manipulating
2 ImmunoCellular stock; (iv) ImmunoCellular failed to disclose that the most likely
3 cause of fluctuations in its stock price was its own unlawful campaign to pay stock
4 promoters to pump its stock; and (iv) the promotional articles failed to disclose that
5 the authors were compensated from ImmunoCellular or disclose that the articles
6 were part of a paid promotional campaign.
7
8

9 **Resignation of Singh**

10 79. On August 20, 2012, after the market closed, the Company filed a Form
11 8-K announcing that on August 14, 2012, Defendant Singh tendered his resignation
12 and the Company accepted his resignation from the CEO, President, and Board
13 positions; and appointed Defendant Yu as the Company's Interim CEO and
14 President.
15
16

17 80. On August 21, 2012, analysts at Cowen and Company ("Cowen")
18 wrote in an analyst report that they had long discussions with Defendants Singh and
19 Yu and a director of business development about Defendant Singh's resignation.
20 Cowen concluded that after the long discussions Defendant Singh's "departure was
21 related to direction the company was moving towards, financing needs, corporate
22 governance, compensation and reporting structure and relationship between the
23 Board and the CEO."

24
25 81. As a result of Defendant Singh's resignation, ImmunoCellular shares
26 declined more than 16% and closed at \$2.43 per share on August 21, 2012.
27
28

1 82. On September 6, 2012, an analyst at Zacks Investment Research wrote
 2 in an analyst report, “We don’t know the rationale behind the management change,
 3 but we believe the change won’t have significant impact on IMUC’s operations.”
 4

5 **October 2012 Offering**

6 83. On October 19, 2012, the Company filed a prospectus supplement on a
 7 Form 424B5 (“October 19, 2012 Prospectus Supplement”) related to an offering by
 8 the Company to sell 10 million shares of ImmunoCellular common stock at \$2.09
 9 per share and five year warrants to purchase up to an aggregate of 4.5 million shares
 10 of ImmunoCellular common stock at \$0.01 per warrant to purchase \$0.45 per share
 11 of ImmunoCellular common stock. The October 19, 2012 Prospectus Supplement
 12 was part of a shelf registration statement on a Form S-3 that the Company filed with
 13 the SEC on September 20, 2012 and a prospectus dated October 9, 2012
 14 (collectively, “October 2012 Registration Statement”). The net offering proceeds to
 15 ImmunoCellular from the offering expected to be approximately \$19.3 million, after
 16 deducting underwriting discounts and commissions and other estimated offering
 17 expenses, but excluding the exercise of any warrants and any exercise of the
 18 underwriters’ over-allotment option.
 19

20 84. ImmunoCellular represented in the October 2012 Registration
 21 Statement on possible fluctuations in its stock price:
 22

23 The market price for our common stock and the securities of other
 24 development state pharmaceutical or biotechnology companies have
 25 been highly volatile and may continue to be highly volatile in the
 26

1 future. If the market price of our common stock declines, the per share
2 value of the common stock you purchase will decline. The following
3 factors, in addition to other risk factors described in this section, may
4 have a significant impact on the market price of our common stock:

- 5 • the progress and success of clinical trials and preclinical activities
6 (including studies and manufacture of materials) of our product
7 candidates conducted by us or our collaborative partners or licensees;
8 • the receipt or failure to receive the additional funding necessary to
9 conduct our business;
10 • selling by large stockholders;
11 • presentations of detailed clinical trial data at medical and scientific
12 conferences and investor perception thereof;
13 • announcements of technological innovations or new commercial
14 products by our competitors or us;
15 • developments concerning proprietary rights, including patents by our
16 competitors or us;
17 • developments concerning our collaborations;
18 • publicity regarding actual or potential medical results relating to
products under development by our competitors or us;
• regulatory developments in the United States and foreign countries;
• manufacturing or supply disruptions at our contract manufacturers, or
failure by our contract manufacturers to obtain or maintain approval of
the FDA or comparable regulatory authorities;
• litigation or arbitration;
• economic and other external factors or other disaster or crisis; and
• period-to-period fluctuations in financial results.

19 85. The statements in ¶ 84 were false and misleading because they omitted
20 that the most likely cause of fluctuations in its stock price was its own unlawful
21 campaign to pay stock promoters to pump its stock.
22

23 **Third Quarter Ended September 30, 2012**

24 86. On November 9, 2012, the Company filed a Form 10-Q (“3Q 2012
25 Form 10-Q”) with the SEC for the quarterly period ended September 30, 2012,
26 which was signed by, Defendant Yu. In addition, the 3Q 2012 Form 10-Q contained
27
28

1 signed certifications pursuant to SOX by Defendants Yu and Fractor, stating that the
2 financial information contained in the 3Q 2012 Form 10-Q was accurate and
3 disclosed any material changes to the Company's internal control over financial
4 reporting.

5 87. The 3Q 2012 Form 10-Q represented the following concerning the
6 Company's Controls and Procedures, in relevant part:

7 As of the end of the fiscal quarter covered by this report, we carried out
8 an evaluation, under the supervision and with the participation of our
9 principal executive officer and principal financial officer, regarding the
10 effectiveness of the design and operation of our disclosure controls and
11 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act.
12 Based upon that evaluation, our principal executive officer and
13 principal financial officer concluded that, as of September 30, 2012, (i)
14 our disclosure controls and procedures were effective to ensure that
15 information that is required to be disclosed by us in reports that we file
16 under the Exchange Act is recorded, processed, summarized and
17 reported or submitted within the time period specified in the rules and
18 forms of the SEC and (ii) our disclosure controls and procedures were
19 effective to provide reasonable assurance that material information
20 required to be disclosed by us in the reports we file or submit under the
21 Exchange Act was accumulated and communicated to our management
22 as appropriate to allow timely decisions regarding required disclosure.
23 There were no changes in our internal control over financial reporting
24 that occurred during the period covered by this report that have
25 materially affected, or are reasonably likely to materially affect, our
26 internal control over financial reporting.

27 We do not expect that our disclosure controls and procedures and
28 internal control over financial reporting will prevent all error and all
29 fraud. A control system, no matter how well conceived and operated,
30 can provide only reasonable, not absolute, assurance that the objectives
31 of the control system are met. Because of the inherent limitations in all
32 control systems, no evaluation of controls can provide absolute
33 assurance that all control issues and instances of fraud, if any, within
34 our company have been detected. The design of any system of controls

1 also is based in part upon assurance that any design will succeed in
2 achieving its stated goals under all potential future conditions.
3 However, controls may become inadequate because of changes in
4 conditions or the degree of compliance with the policies or procedures
5 may deteriorate. Because of the inherent limitations in a cost-effective
control system, misstatements due to error or fraud may occur and not
be detected.

6 88. The Company also represented certain risks related to its common
7 stock and possible fluctuations in its stock price:
8

9 The market prices for our common stock and the securities of other
10 development state pharmaceutical or biotechnology companies have
11 been highly volatile and may continue to be highly volatile in the
12 future. If the market price of our common stock declines, the per share
13 value of the common stock you purchase will decline. The following
factors, in addition to other risk factors described in this section, may
have a significant impact on the market price of our common stock:

- 14 • the progress and success of clinical trials and preclinical activities
15 (including studies and manufacture of materials) of our product
candidates conducted by us or our collaborative partners or licensees;
- 16 • the receipt or failure to receive the additional funding necessary to
conduct our business;
- 17 • selling by large stockholders;
- 18 • presentations of detailed clinical trial data at medical and scientific
conferences and investor perception thereof;
- 19 • announcements of technological innovations or new commercial
products by our competitors or us;
- 20 • developments concerning proprietary rights, including patents by our
competitors or us;
- 21 • developments concerning our collaborations;
- 22 • publicity regarding actual or potential medical results relating to
products under development by our competitors or us;
- 23 • regulatory developments in the United States and foreign countries;
- 24 • manufacturing or supply disruptions at our contract manufacturers, or
failure by our contract manufacturers to obtain or maintain approval of
the FDA or comparable regulatory authorities;
- 25 • litigation or arbitration;
- 26 • economic and other external factors or other disaster or crisis; and

- 1 • period-to-period fluctuations in financial results.

2 Furthermore, during the last few years, the stock markets have
3 experienced extreme price and volume fluctuations and the market
4 prices of some equity securities continue to be volatile. These
5 fluctuations often have been unrelated or disproportionate to the
6 operating performance of these companies. These broad market and
7 industry fluctuations, as well as general economic, political and market
8 conditions such as recessions, interest rate changes or international
9 currency fluctuations, may cause the market price of shares of our
10 common stock to decline.

11 89. The statements in ¶¶ 86-88 were false and misleading as (i)
12 ImmunoCellular retained Lidingo to publish promotional articles designed to
13 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
14 Defendant Singh directly, reviewed, edited and approved promotional articles prior
15 to publication for the purpose of manipulating ImmunoCellular stock; and (iii)
16 ImmunoCellular failed to disclose that the most likely cause of fluctuations in its
17 stock price was its own unlawful campaign to pay stock promoters to pump its
18 stock.

19 **Fourth Quarter Ended December 31, 2012**

20 90. On March 11, 2013, the Company filed a Form 10-K (“2012 Form 10-
21 K”) with the SEC for the year ended December 31, 2012, which was signed by,
22 Defendants Gengos, Yu and Fractor. In addition, the 2012 Form 10-K contained
23 signed certifications pursuant to SOX by Gengos and Fractor, stating that the
24 financial information contained in the 2012 Form 10-K was accurate and disclosed
25 any material changes to the Company’s internal control over financial reporting.
26
27
28

1 91. The 2012 Form 10-K represented the following concerning the
2 Company's Controls and Procedures, in relevant part:
3

4 We maintain disclosure controls and procedures that are designed to
5 ensure that information required to be disclosed in the reports that we
6 file with the SEC under the Exchange Act is recorded, processed,
7 summarized and reported within the time periods specified in the
8 SEC's rules and forms and that such information is accumulated and
9 communicated to our management, including our principal executive
10 and financial officers, as appropriate, to allow for timely decisions
11 regarding required disclosure. As required by SEC Rule 15d-15(b), we
12 carried out an evaluation, under the supervision and with the
13 participation of our management, including our principal executive and
14 financial officers, of the effectiveness of the design and operation of
15 our disclosure controls and procedures as of December 31, 2012, which
16 is the end of the period covered by this report. Based on the foregoing,
17 our principal executive and financial officers concluded that our
18 disclosure controls and procedures were effective as of December 31,
19 2012.

20 92. In the 2012 Form 10-K, the Company also represented certain risks
21 related to its common stock and possible fluctuations in its stock price:
22

23 The market prices for our common stock and the securities of other
24 development state pharmaceutical or biotechnology companies have
25 been highly volatile and may continue to be highly volatile in the
26 future. If the market price of our common stock declines, the per share
27 value of the common stock you purchase will decline. The following
28 factors, in addition to other risk factors described in this section, may
have a significant impact on the market price of our common stock:

- 23 • the progress and success of clinical trials and preclinical activities
24 (including studies and manufacture of materials) of our product
25 candidates conducted by us or our collaborative partners or licensees;
- 26 • the receipt or failure to receive the additional funding necessary to
27 conduct our business;
- 28 • selling by large stockholders;
- presentations of detailed clinical trial data at medical and scientific
conferences and investor perception thereof;

- 1 • announcements of technological innovations or new commercial
2 products by our competitors or us;
- 3 • developments concerning proprietary rights, including patents by our
competitors or us;
- 4 • developments concerning our collaborations;
- 5 • publicity regarding actual or potential medical results relating to
products under development by our competitors or us;
- 6 • regulatory developments in the United States and foreign countries;
- 7 • manufacturing or supply disruptions at our contract manufacturers, or
failure by our contract manufacturers to obtain or maintain approval of
the FDA or comparable regulatory authorities;
- 8 • litigation or arbitration;
- 9 • economic and other external factors or other disaster or crisis; and
- 10 • period-to-period fluctuations in financial results.

11 Furthermore, during the last few years, the stock markets have
12 experienced extreme price and volume fluctuations and the market
13 prices of some equity securities continue to be volatile. These
14 fluctuations often have been unrelated or disproportionate to the
15 operating performance of these companies. These broad market and
16 industry fluctuations, as well as general economic, political and market
conditions such as recessions, interest rate changes or international
currency fluctuations, may cause the market price of shares of our
common stock to decline.

17 93. The 2012 Form 10-K notes that the Company's "Board of Directors has
18 adopted a code of ethics covering all of our executive officers and key employees"
19 and its "code of ethics is available on our website www.imuc.com."

20 94. According to the Company's Code, the "objective of this Code is to
21 ensure full, fair, accurate, timely and understandable disclosure in the reports and
22 other documents that we file with, or otherwise submit to, the SEC and in the press
23 release and other public communications that we distribute."

24 95. The Code further stated the following in respect to the Company's
25
26

1 “Public Disclosure of Information Required by the Securities Laws:”

2 The federal securities laws, rules and regulations require the Company
3 to maintain “disclosure controls and procedures,” which are controls
4 and other procedures that are designed to ensure that financial
5 information and non-financial information that is required to be
6 disclosed by us in the reports that we file with or otherwise submit to
7 the SEC (i) is recorded, processed, summarized and reported within the
8 time periods required by applicable federal securities laws, rules and
9 regulations and (ii) is accumulated and communicated to our
management, including our President or Chief Executive Officer and
CFO, in a manner allowing timely decisions by them regarding
required disclosure in the reports.

10 96. The statements in ¶¶ 90-92; 94-95 were false and misleading as (i)
11 ImmunoCellular retained Lidingo to publish promotional articles designed to
12 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
13 Defendant Singh directly, reviewed, edited and approved promotional articles prior
14 to publication for the purpose of manipulating ImmunoCellular stock; and (iii)
15 ImmunoCellular failed to disclose that the most likely cause of fluctuations in its
16 stock price was its own unlawful campaign to pay stock promoters to pump its
17 stock.
18

19 **April 2013 Offering**

20 97. On April 26, 2013, the Company filed a prospectus supplement on a
21 Form 424B5 dated April 18, 2013 (“April 18, 2013 Prospectus Supplement”),
22 related to an offering to sell up to \$17 million of shares of ImmunoCellular common
23 stock. The April 18, 2013 Prospectus Supplement was part of a prospectus dated
24 October 9, 2012 and a registration statement on a Form S-3 filed with the SEC on
25
26
27
28

1 September 21, 2012 (collectively, “April 2013 Registration Statement”).

2 98. The April 2013 Registration Statement incorporated by reference the
3 “Risk Factors” contained in the 2012 Form 10-K, including representations by the
4 Company in respect to certain risks related to its common stock and possible
5 fluctuations in its stock price:

6 The market prices for our common stock and the securities of other
7 development state pharmaceutical or biotechnology companies have
8 been highly volatile and may continue to be highly volatile in the
9 future. If the market price of our common stock declines, the per share
10 value of the common stock you purchase will decline. The following
11 factors, in addition to other risk factors described in this section, may
12 have a significant impact on the market price of our common stock:

- 13 • the progress and success of clinical trials and preclinical activities
14 (including studies and manufacture of materials) of our product
15 candidates conducted by us or our collaborative partners or licensees;
- 16 • the receipt or failure to receive the additional funding necessary to
17 conduct our business;
- 18 • selling by large stockholders;
- 19 • presentations of detailed clinical trial data at medical and scientific
20 conferences and investor perception thereof;
- 21 • announcements of technological innovations or new commercial
22 products by our competitors or us;
- 23 • developments concerning proprietary rights, including patents by our
24 competitors or us;
- 25 • developments concerning our collaborations;
- 26 • publicity regarding actual or potential medical results relating to
27 products under development by our competitors or us;
- 28 • regulatory developments in the United States and foreign countries;
- 29 • manufacturing or supply disruptions at our contract manufacturers, or
30 failure by our contract manufacturers to obtain or maintain approval of
31 the FDA or comparable regulatory authorities;
- 32 • litigation or arbitration;
- 33 • economic and other external factors or other disaster or crisis; and
- 34 • period-to-period fluctuations in financial results.

1 Furthermore, during the last few years, the stock markets have
2 experienced extreme price and volume fluctuations and the market
3 prices of some equity securities continue to be volatile. These
4 fluctuations often have been unrelated or disproportionate to the
5 operating performance of these companies. These broad market and
6 industry fluctuations, as well as general economic, political and market
7 conditions such as recessions, interest rate changes or international
8 currency fluctuations, may cause the market price of shares of our
9 common stock to decline.

10 99. The statements in ¶ 98 were false and misleading because
11 ImmunoCellular omitted that the price of ImmunoCellular stock fluctuated due to an
12 unlawful campaign by ImmunoCellular to pay stock promoters to pump its stock.

13 **First Quarter Ended March 31, 2013**

14 100. On May 10, 2013, the Company filed a Form 10-Q (“1Q 2013 Form
15 10-Q”) with the SEC for the quarterly period ended March 31, 2013, which was
16 signed by, Defendants Gengos and Fractor. In addition, the 1Q 2013 Form 10-Q
17 contained signed certifications pursuant to SOX by Defendants Gengos and Fractor,
18 stating that the financial information contained in the 1Q 2013 Form 10-Q was
19 accurate and disclosed any material changes to the Company’s internal control over
20 financial reporting.

21 101. The 1Q 2013 Form 10-Q represented the following concerning the
22 Company’s Controls and Procedures, in relevant part:

23 24 As of the end of the fiscal quarter covered by this report, we carried out
25 an evaluation, under the supervision and with the participation of our
26 principal executive officer and principal financial officer, regarding the
27 effectiveness of the design and operation of our disclosure controls and
28 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act.

1 Based upon that evaluation, our principal executive officer and
2 principal financial officer concluded that, as of March 31, 2013, (i) our
3 disclosure controls and procedures were effective to ensure that
4 information that is required to be disclosed by us in reports that we file
5 under the Exchange Act is recorded, processed, summarized and
6 reported or submitted within the time period specified in the rules and
7 forms of the SEC and (ii) our disclosure controls and procedures were
8 effective to provide reasonable assurance that material information
9 required to be disclosed by us in the reports we file or submit under the
10 Exchange Act was accumulated and communicated to our management
11 as appropriate to allow timely decisions regarding required disclosure.
There were no changes in our internal control over financial reporting
that occurred during the period covered by this report that have
materially affected, or are reasonably likely to materially affect, our
internal control over financial reporting.

12 We do not expect that our disclosure controls and procedures and
13 internal control over financial reporting will prevent all error and all
14 fraud. A control system, no matter how well conceived and operated,
15 can provide only reasonable, not absolute, assurance that the objectives
16 of the control system are met. Because of the inherent limitations in all
17 control systems, no evaluation of controls can provide absolute
18 assurance that all control issues and instances of fraud, if any, within
19 our company have been detected. The design of any system of controls
20 also is based in part upon assurance that any design will succeed in
21 achieving its stated goals under all potential future conditions.
However, controls may become inadequate because of changes in
conditions or the degree of compliance with the policies or procedures
may deteriorate. Because of the inherent limitations in a cost-effective
control system, misstatements due to error or fraud may occur and not
be detected.

22 102. The Company incorporated by reference the risk factors in its 2012
23 Form 10-K, including representations by the Company in respect to certain risks
24 related to its common stock and possible fluctuations in its stock price:

26 The market prices for our common stock and the securities of other
27 development state pharmaceutical or biotechnology companies have
28 been highly volatile and may continue to be highly volatile in the

1 future. If the market price of our common stock declines, the per share
 2 value of the common stock you purchase will decline. The following
 3 factors, in addition to other risk factors described in this section, may
 4 have a significant impact on the market price of our common stock:

- 5 • the progress and success of clinical trials and preclinical activities
 (including studies and manufacture of materials) of our product
 candidates conducted by us or our collaborative partners or licensees;
- 6 • the receipt or failure to receive the additional funding necessary to
 conduct our business;
- 7 • selling by large stockholders;
- 8 • presentations of detailed clinical trial data at medical and scientific
 conferences and investor perception thereof;
- 9 • announcements of technological innovations or new commercial
 products by our competitors or us;
- 10 • developments concerning proprietary rights, including patents by our
 competitors or us;
- 11 • developments concerning our collaborations;
- 12 • publicity regarding actual or potential medical results relating to
 products under development by our competitors or us;
- 13 • regulatory developments in the United States and foreign countries;
- 14 • manufacturing or supply disruptions at our contract manufacturers, or
 failure by our contract manufacturers to obtain or maintain approval of
 the FDA or comparable regulatory authorities;
- 15 • litigation or arbitration;
- 16 • economic and other external factors or other disaster or crisis; and
- 17 • period-to-period fluctuations in financial results.

19 Furthermore, during the last few years, the stock markets have
 20 experienced extreme price and volume fluctuations and the market
 21 prices of some equity securities continue to be volatile. These
 22 fluctuations often have been unrelated or disproportionate to the
 23 operating performance of these companies. These broad market and
 24 industry fluctuations, as well as general economic, political and market
 25 conditions such as recessions, interest rate changes or international
 26 currency fluctuations, may cause the market price of shares of our
 27 common stock to decline.

28 103. The statements in ¶¶ 100-102 were false and misleading (i)

29 ImmunoCellular retained Lidingo to publish promotional articles designed to

1 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
2 Defendant Singh directly, reviewed, edited and approved promotional articles prior
3 to publication for the purpose of manipulating ImmunoCellular stock; and (iii)
4 ImmunoCellular failed to disclose that the most likely cause of fluctuations in its
5 stock price was its own unlawful campaign to pay stock promoters to pump its
6 stock.
7

8

9 **Second Quarter Ended June 30, 2013**

10 104. On August 8, 2013, the Company filed a Form 10-Q (“2Q 2013 Form
11 10-Q”) with the SEC for the quarterly period ended June 30, 2013, which was
12 signed by, Defendants Gengos and Fractor. In addition, the 2Q 2013 Form 10-Q
13 contained signed certifications pursuant to SOX by Defendants Gengos and Fractor,
14 stating that the financial information contained in the 2Q 2013 Form 10-Q was
15 accurate and disclosed any material changes to the Company’s internal control over
16 financial reporting.
17

18 105. The 2Q 2013 Form 10-Q represented the following concerning the
19 Company’s Controls and Procedures, in relevant part:
20

21 As of the end of the fiscal quarter covered by this report, we carried out
22 an evaluation, under the supervision and with the participation of our
23 principal executive officer and principal financial officer, regarding the
24 effectiveness of the design and operation of our disclosure controls and
25 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act. Based upon that
26 evaluation, our principal executive officer and principal financial officer concluded that, as of June 30, 2013, (i) our
27 disclosure controls and procedures were effective to ensure that
28 information that is required to be disclosed by us in reports that we file

under the Exchange Act is recorded, processed, summarized and reported or submitted within the time period specified in the rules and forms of the SEC and (ii) our disclosure controls and procedures were effective to provide reasonable assurance that material information required to be disclosed by us in the reports we file or submit under the Exchange Act was accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. There were no changes in our internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

We do not expect that our disclosure controls and procedures and internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. The design of any system of controls also is based in part upon assurance that any design will succeed in achieving its stated goals under all potential future conditions. However, controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

106. The Company incorporated by reference the risk factors in its 2012
Form 10-K, including representations by the Company in respect to certain risks
related to its common stock and possible fluctuations in its stock price:

The market prices for our common stock and the securities of other development state pharmaceutical or biotechnology companies have been highly volatile and may continue to be highly volatile in the future. If the market price of our common stock declines, the per share value of the common stock you purchase will decline. The following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our common stock:

- 1 • the progress and success of clinical trials and preclinical activities
2 (including studies and manufacture of materials) of our product
3 candidates conducted by us or our collaborative partners or licensees;
- 4 • the receipt or failure to receive the additional funding necessary to
5 conduct our business;
- 6 • selling by large stockholders;
- 7 • presentations of detailed clinical trial data at medical and scientific
8 conferences and investor perception thereof;
- 9 • announcements of technological innovations or new commercial
10 products by our competitors or us;
- 11 • developments concerning proprietary rights, including patents by our
12 competitors or us;
- 13 • developments concerning our collaborations;
- 14 • publicity regarding actual or potential medical results relating to
15 products under development by our competitors or us;
- 16 • regulatory developments in the United States and foreign countries;
- 17 • manufacturing or supply disruptions at our contract manufacturers, or
18 failure by our contract manufacturers to obtain or maintain approval of
19 the FDA or comparable regulatory authorities;
- 20 • litigation or arbitration;
- 21 • economic and other external factors or other disaster or crisis; and
- 22 • period-to-period fluctuations in financial results.

23 Furthermore, during the last few years, the stock markets have
24 experienced extreme price and volume fluctuations and the market
25 prices of some equity securities continue to be volatile. These
26 fluctuations often have been unrelated or disproportionate to the
27 operating performance of these companies. These broad market and
28 industry fluctuations, as well as general economic, political and market
29 conditions such as recessions, interest rate changes or international
30 currency fluctuations, may cause the market price of shares of our
31 common stock to decline.

32 107. The statements in ¶¶ 104-106 were false and misleading as (i)
33 ImmunoCellular retained Lidingo to publish promotional articles designed to
34 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
35 Defendant Singh directly, reviewed, edited and approved promotional articles prior
36

1 to publication for the purpose of manipulating ImmunoCellular stock; and (iii)
2 ImmunoCellular failed to disclose that the most likely cause of fluctuations in its
3 stock price was its own unlawful campaign to pay stock promoters to pump its
4 stock.

6 **Third Quarter Ended September 30, 2013**

7 108. On November 7, 2013, the Company filed a Form 10-Q (“3Q 2013
8 Form 10-Q”) with the SEC for the quarterly period ended June 30, 2013, which was
9 signed by, Defendants Gengos and Fractor. In addition, the 3Q 2013 Form 10-Q
10 contained signed certifications pursuant to SOX by Defendants Gengos and Fractor,
11 stating that the financial information contained in the 3Q 2013 Form 10-Q was
12 accurate and disclosed any material changes to the Company’s internal control over
13 financial reporting.

14 109. The 3Q 2013 Form 10-Q represented the following concerning the
15 Company’s Controls and Procedures, in relevant part:
16

17 As of the end of the fiscal quarter covered by this report, we carried out
18 an evaluation, under the supervision and with the participation of our
19 principal executive officer and principal financial officer, regarding the
20 effectiveness of the design and operation of our disclosure controls and
21 procedures pursuant to SEC Rule 15d-15(b) of the Exchange Act.
22 Based upon that evaluation, our principal executive officer and
23 principal financial officer concluded that, as of September 30, 2013, (i)
24 our disclosure controls and procedures were effective to ensure that
25 information that is required to be disclosed by us in reports that we file
26 under the Exchange Act is recorded, processed, summarized and
27 reported or submitted within the time period specified in the rules and
28 forms of the SEC and (ii) our disclosure controls and procedures were
effective to provide reasonable assurance that material information

1 required to be disclosed by us in the reports we file or submit under the
2 Exchange Act was accumulated and communicated to our management
3 as appropriate to allow timely decisions regarding required disclosure.
4 There were no changes in our internal control over financial reporting
5 that occurred during the period covered by this report that have
materially affected, or are reasonably likely to materially affect, our
internal control over financial reporting.

6 We do not expect that our disclosure controls and procedures and
7 internal control over financial reporting will prevent all error and all
8 fraud. A control system, no matter how well conceived and operated,
9 can provide only reasonable, not absolute, assurance that the objectives
10 of the control system are met. Because of the inherent limitations in all
11 control systems, no evaluation of controls can provide absolute
12 assurance that all control issues and instances of fraud, if any, within
13 our company have been detected. The design of any system of controls
14 also is based in part upon assurance that any design will succeed in
achieving its stated goals under all potential future conditions.
However, controls may become inadequate because of changes in
conditions or the degree of compliance with the policies or procedures
may deteriorate. Because of the inherent limitations in a cost-effective
control system, misstatements due to error or fraud may occur and not
be detected.

17 110. The Company incorporated by reference the risk factors in its 2012
18 Form 10-K, including representations by the Company in respect to certain risks
19 related to its common stock and possible fluctuations in its stock price:

21 The market prices for our common stock and the securities of other
22 development state pharmaceutical or biotechnology companies have
been highly volatile and may continue to be highly volatile in the
future. If the market price of our common stock declines, the per share
value of the common stock you purchase will decline. The following
factors, in addition to other risk factors described in this section, may
have a significant impact on the market price of our common stock:
26 • the progress and success of clinical trials and preclinical activities
(including studies and manufacture of materials) of our product
candidates conducted by us or our collaborative partners or licensees;

- 1 • the receipt or failure to receive the additional funding necessary to
- 2 conduct our business;
- 3 • selling by large stockholders;
- 4 • presentations of detailed clinical trial data at medical and scientific
- 5 conferences and investor perception thereof;
- 6 • announcements of technological innovations or new commercial
- 7 products by our competitors or us;
- 8 • developments concerning proprietary rights, including patents by our
- 9 competitors or us;
- 10 • developments concerning our collaborations;
- 11 • publicity regarding actual or potential medical results relating to
- 12 products under development by our competitors or us;
- 13 • regulatory developments in the United States and foreign countries;
- 14 • manufacturing or supply disruptions at our contract manufacturers, or
- 15 failure by our contract manufacturers to obtain or maintain approval of
- 16 the FDA or comparable regulatory authorities;
- 17 • litigation or arbitration;
- 18 • economic and other external factors or other disaster or crisis; and
- 19 • period-to-period fluctuations in financial results.

20 Furthermore, during the last few years, the stock markets have
21 experienced extreme price and volume fluctuations and the market
22 prices of some equity securities continue to be volatile. These
23 fluctuations often have been unrelated or disproportionate to the
24 operating performance of these companies. These broad market and
25 industry fluctuations, as well as general economic, political and market
26 conditions such as recessions, interest rate changes or international
27 currency fluctuations, may cause the market price of shares of our
28 common stock to decline.

21 111. The statements in ¶¶ 108-110 were false and misleading as (i)
22 ImmunoCellular retained Lidingo to publish promotional articles designed to
23 unlawfully promote the Company and inflate the price of ImmunoCellular stock; (ii)
24 Defendant Singh directly, reviewed, edited and approved promotional articles prior
25 to publication for the purpose of manipulating ImmunoCellular stock; and (iii)
26 ImmunoCellular failed to disclose that the most likely cause of fluctuations in its
27
28

1 stock price was its own unlawful campaign to pay stock promoters to pump its
 2 stock.
 3

THE TRUTH EMERGES

5 112. On December 11, 2013, after the market closed, the Company issued a
 6 press release, disclosing that its ICT-107 Phase II study's primary endpoint of
 7 overall survival was not statistically significant. Specifically, the Company
 8 disclosed the following, in relevant part:
 9

10 ImmunoCellular Therapeutics, Ltd. ("ImmunoCellular") (NYSE
 11 MKT:IMUC) announced that ICT-107, its dendritic cell-based vaccine,
 12 demonstrated a statistically significant increase in progression-free
 13 survival (PFS) in patients with newly diagnosed glioblastoma
 14 multiforme (GBM) in its randomized, placebo-controlled phase II trial.
 15 A comparison of PFS between ICT-107 and placebo showed a
 16 statistically significant difference in the Kaplan-Meier (K-M) curves
 17 favoring ICT-107 ($p=0.014$ two-sided, hazard ratio (HR)=0.56) in the
 18 intent-to-treat population of all 124 randomized patients. The difference
 19 in the median progression-free survival times between ICT-107 and
 20 placebo favored ICT-107 and was two months in duration. For the per-
 21 protocol population (117 of 124 patients receiving at least four
 22 induction vaccinations), the K-M comparison p-value improved in
 23 treated patients to 0.0074 two-sided (HR=0.53) and the difference in
 24 median progression-free survival times increased to three months in
 25 favor of ICT-107.
 26

27 The differences in the overall survival (OS) K-M curves did not reach
 28 statistical significance in the intent-to-treat population (the primary
 29 endpoint) or the per-protocol population, with p-values and HRs of
 30 $p=0.58$ two-sided, HR=0.87, and $p=0.40$ two-sided, HR=0.79,
 31 respectively. However, there were numerical differences in the median
 32 survivals favoring ICT-107 of two months in the intent-to-treat
 33 population and three months in the per-protocol population.

34 The OS analysis includes data on 67 events (patient deaths) out of a
 35 possible 124, whereas the PFS analysis includes data from 103 events.
 36

1 ImmunoCellular Therapeutics plans to continue following patients in
2 this trial to collect more mature OS data.

3 In the matured data from the open label, phase I trial, the Company
4 observed a consistent benefit in both PFS and OS compared with
5 historical controls, and on this basis thinks that it is possible that the
primary OS benefit could be clarified as the phase II data mature.

6 In this phase II study, ICT-107 was generally safe and well tolerated,
7 with no imbalance of adverse events between the active and placebo
8 groups.

9 113. On this news, ImmunoCellular common stock declined \$1.62 per share
10 or nearly 60%, to close at \$1.10 per share on December 12, 2013.
11

POST-CLASS PERIOD DISCLOSURES

13 114. On April 10, 2017, the SEC issued an immediate release, announcing
14 “enforcement actions against 27 individuals and entities behind various alleged
15 stock promotion schemes” that involved public companies including
16 ImmunoCellular. According to the SEC, the schemes involved public companies
17 hiring “promoters or communications firms to generate publicity for their stocks,
18 and the firms subsequently hired writers to publish articles that did not publicly
19 disclose the payments from the companies.” Next, the “writers allegedly posted
20 bullish articles about the companies on the internet under the guise of impartiality
21 when in reality they were nothing more than paid advertisements.” Moreover, many
22 of the articles “specifically included false statements that the writers had not been
23 compensated by the companies they were writing about.” The schemes “left
24 investors with the impression they were reading independent, unbiased analyses on
25
26
27
28

investing websites while writers were being secretly compensated for touting company stocks.”

115. In respect to ImmunoCellular, the SEC instituted two separate cease-and-desist orders against ImmunoCellular; and Singh and Lavos. As part of the cease-and-desist order against Singh, he agreed to pay a disgorgement of \$1,750,000 for his engagement “in a paid stock-touting scheme involving 12 issuers [including ImmunoCellular], at least 10 writers, over 400 internet publications, and the distribution of emails to thousands of potential investors.” Singh Cease-And-Desist Order, at 2. As part of the scheme, “Singh edited and approved articles, directed writers should publish articles and directed when and where those articles should be published” and “directed that Lidingo not use writers who disclosed compensation.”

Id. at ¶ 7-8.

116. On this news, ImmunoCellular common stock declined \$0.13 per share or nearly 5%, to close at \$2.57 per share on April 11, 2017.

SCIENTER ALLEGATIONS

117. As the Company's most senior executives, the Individual Defendants were active, culpable, and primary participants in the fraud as evidenced by their knowing issuance and control over the Company's materially false and misleading statements. Further, the Individual Defendants were the senior officers of ImmunoCellular during the Class Period and had final approval over the public statements issued in the name of the Company.

1 118. The Individual Defendants were the most senior officers of
2 ImmunoCellular. In connection with each quarterly report and the annual report
3 ImmunoCellular filed with the SEC during the Class Period, the Individual
4 Defendants signed certifications pursuant to SOX. Pursuant to applicable law, every
5 10-Q and 10-K filed with the SEC and reporting a company's quarterly or annual
6 financial performance must be accompanied by SOX certifications signed under
7 oath by personnel able to attest to the veracity of the underlying financial reports.
8 The Individual Defendants certified under oath quarter after quarter during the Class
9 Period that all financial reports filed by ImmunoCellular with the SEC complied
10 with Section 13(a) of the Exchange Act and that each such report "fairly presents, in
11 all material respects, the financial condition and results of operations of the
12 Company."

13 119. The SOX certifications stated that the financial information contained
14 in the respective Form 10-Q and Form 10-K was accurate and disclosed any
15 material changes to the Company's internal control over financial reporting.
16 Specifically, the certifications represented that the Company's Form 10-Qs and 10-
17 K did "not contain any untrue statement of a material fact or omit to state a material
18 fact necessary to make the statements made, in light of the circumstances under
19 which such statements were made, not misleading with respect to the period covered
20 by this report." The SOX certifications also stated that the Individual Defendants
21 have disclosed "[a]ll significant deficiencies and material weaknesses in the design
22
23
24
25
26
27
28

1 or operation of internal control over financial reporting which are reasonably likely
2 to adversely affect the Company's ability to record, process, summarize and report
3 financial information" and "[a]ny fraud, whether or not material, that involves
4 management or other employees who have a significant role in the Company's
5 internal control over financial reporting."

6
7 120. The SOX certifications signed by the Individual Defendants were
8 materially false and misleading because, at the time they were executed, these
9 individuals were aware of, or recklessly disregarded, the severe deficiencies in the
10 Company's controls from a financial and operational perspective. The Individual
11 Defendants were in a position to know that the Company lacked internal controls.
12 The SOX certifications are strong indicia of scienter because the fraud at issue
13 directly implicates the adequacy of the Company's systems of internal control.

14
15 121. As signatories to the Company's SEC filings, the Individual
16 Defendants had an affirmative obligation to familiarize themselves with the facts
17 relevant to the Company. To the extent that the Individual Defendants failed to
18 fulfill that obligation, their recklessness would satisfy the scienter element of a
19 claim brought under Section 10(b) and Rule 10b-5.
20
21

22 122. ImmunoCellular and the Individual Defendants were motivated to
23 promote the Company through the publications of promotional articles to maintain
24 ImmunoCellular's stock price inflated as high as possible as the Company had
25 several offerings of shares of ImmunoCellular common stock during the Class
26
27

1 Period. Significantly, Defendant Yu's family trust, the Yu Family Trust offered to
 2 sell more than 5.9 million shares of ImmunoCellular common stock in the May 2012
 3 offering.

5 123. Singh, as ImmunoCellular's CEO "directed and oversaw Lidingo's
 6 work for the company." ImmunoCellular Cease-And-Desist Order, at ¶ 7. Even
 7 prior to the Class Period, "Singh approved all Lidingo articles about IMUC, writing
 8 in a March 19, 2012 email to Bjorlin that he wanted 'ultimate approval authority.'"
 9 *Id.* In the same email, Singh provided "an instruction regarding draft articles: 'In
 10 the future, please let me review it even if it requires waiting a day or two extra.' *Id.*
 11

13 124. Throughout the Class Period "in which Lidingo provided services to"
 14 ImmunoCellular, Singh "provided input on article content and gave directions on
 15 authors and publication timing." Singh Cease-And-Desist Order, at ¶ 14.
 16

17 125. Throughout the entire "period that Lidingo worked for IMUC, Singh
 18 edited articles about IMUC and provided input regarding content." ImmunoCellular
 19 Cease-And-Desist Order, at ¶ 8. For example, Singh provided edits to the July 17,
 20 2012 article, "which were incorporated into the published version." *Id.*
 21

22 126. Singh "knew or was reckless in not knowing that Lidingo publications
 23 about" ImmunoCellular "would either not disclose compensation or would
 24 affirmatively misrepresent that the author had not been compensated." Singh Cease-
 25 And-Desist Order, at ¶ 27.
 26

1 127. Singh knew “that disclosing compensation made these communications
2 less credible and less likely to be effective.” ImmunoCellular Cease-And-Desist
3 Order, at ¶ 10. For example, in a February 20, 2012 email, “Singh believed that
4 disclosures about compensation from issuers hurt the credibility of writers.” *Id.*
5 Again, in a May 1, 2012 email, Singh “recommended that a writer not disclose
6 compensation on his own website because ‘this would create a red flag for investors
7 or folks would want to dent his credibility.’” *Id.*

8 128. ImmunoCellular is liable for the acts of Lidingo and its employees and
9 agents, including Bjorlin and Hodge under the doctrine of *respondeat superior* and
10 common law principles of agency. The scienter of the Lidingo Defendants, the
11 Individual Defendants and other employees and agents of ImmunoCellular is
12 imputed to ImmunoCellular under the doctrine of *respondeat superior* and common
13 law principles of agency.

14 129. The interests of ImmunoCellular were aligned with those of the
15 Individual Defendants and the Lidingo Defendants.

16 130. ImmunoCellular’s CEO, Defendant Singh reviewed, edited and
17 approved Lidingo’s articles prior to publication. Defendant Singh approved and
18 adopted these statements with authority to act on behalf of ImmunoCellular, and
19 were conducted within the scope of his employment as CEO.

20 131. ImmunoCellular both controlled and had the right to control the
21 actions, means, and manner of the Lidingo Defendants, in the Lidingo Defendants’
22

1 pursuit of a campaign to boost ImmunoCellular's stock price, ImmunoCellular
2 authorized and had the right to authorize each of the promotional articles published
3 by Lidingo, including their complete text, and had the right to propel the Lidingo
4 Defendants to deny that the promotional articles were paid promotions.

132. The Lidingo Defendants' conduct occurred substantially within the
time and space limits authorized by the agency relationship, in that ImmunoCellular
authorized both the promotional campaign to boost ImmunoCellular's stock price
and the specific articles the Lidingo Defendants published; the Lidingo Defendants
were motivated by a purpose to serve ImmunoCellular, in that Lidingo was hired to
draft the promotional articles and the text of the promotional articles that were
published was approved by ImmunoCellular; and the fraudulent acts were of a kind
that the Lidingo Defendants were hired to perform.

17 133. All of the wrongful acts complained of herein were carried out within
18 the scope of the Individual Defendants' employment or Lidingo Defendants' agency
19
20 with authorization.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

22 134. Plaintiff brings this action as a class action pursuant to Federal Rule of
23
24 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
25 purchased or otherwise acquired ImmunoCellular common stock on the open market
26 during the Class Period (the “Class”); and were damaged thereby. Excluded from
27
28 the Class are defendants herein, the officers and directors of the Company, at all

1 relevant times, members of their immediate families and their legal representatives,
2 heirs, successors or assigns and any entity in which defendants have or had a
3 controlling interest.
4

5 135. The members of the Class are so numerous that joinder of all members
6 is impracticable. Throughout the Class Period, ImmunoCellular common stock was
7 actively traded on the NYSE MKT, an efficient market. While the exact number of
8 Class members is unknown to Plaintiff at this time and can be ascertained only
9 through appropriate discovery, Plaintiff believes that there are hundreds or
10 thousands of members in the proposed Class. Record owners and other members of
11 the Class may be identified from records maintained by ImmunoCellular or its
12 transfer agent and may be notified of the pendency of this action by mail, using the
13 form of notice similar to that customarily used in securities class actions.
14

15 136. Plaintiff's claims are typical of the claims of the members of the Class
16 as all members of the Class are similarly affected by defendants' wrongful conduct
17 in violation of federal law that is complained of herein.
18

19 137. Plaintiff will fairly and adequately protect the interests of the members
20 of the Class and has retained counsel competent and experienced in class and
21 securities litigation. Plaintiff has no interests antagonistic to or in conflict with
22 those of the Class.
23

1 138. Common questions of law and fact exist as to all members of the Class
 2 and predominate over any questions solely affecting individual members of the
 3 Class. Among the questions of law and fact common to the Class are:

- 5 • whether the federal securities laws were violated by defendants' acts
 as alleged herein;
- 6 • whether statements made by defendants to the investing public
 during the Class Period misrepresented material facts about the
 business, operations and management of ImmunoCellular;
- 7 • whether defendants caused ImmunoCellular to issue false and
 misleading financial statements during the Class Period;
- 8 • whether defendants acted knowingly or recklessly in issuing false
 and misleading financial statements;
- 9 • whether the prices of ImmunoCellular common stock during the
 Class Period were artificially inflated because of the defendants'
 conduct complained of herein; and
- 10 • whether the members of the Class have sustained damages and, if
 so, what is the proper measure of damages.

15 139. A class action is superior to all other available methods for the fair and
 16 efficient adjudication of this controversy since joinder of all members is
 17 impracticable. Furthermore, as the damages suffered by individual Class members
 18 may be relatively small, the expense and burden of individual litigation make it
 19 impossible for members of the Class to individually redress the wrongs done to
 20 them. There will be no difficulty in the management of this action as a class action.

23 140. Plaintiff will rely, in part, upon the presumption of reliance established
 24 by the fraud-on-the-market doctrine in that:

- 26 • defendants made public misrepresentations or failed to disclose
 material facts during the Class Period;
- 27 • the omissions and misrepresentations were material;
- 28 • ImmunoCellular common stock are traded in an efficient market;

- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
 - the Company traded on the NYSE MKT and was covered by multiple analysts;
 - the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's common stock; and
 - Plaintiff and members of the Class purchased, acquired and/or sold ImmunoCellular common stock between the time the defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

10 141. Based upon the foregoing, Plaintiff and the members of the Class are
11 entitled to a presumption of reliance upon the integrity of the market.

COUNT I

**(Against All Defendants For Violations of
Section 10(b) And Rule 10b-5 Promulgated Thereunder)**

16 | 142. Plaintiff repeats and realleges each and every allegation contained
17 | above as if fully set forth herein.

18 143. This Count is asserted against Defendants and is based upon Section
19
20 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
21 thereunder by the SEC.

22 144. During the Class Period, Defendants, individually and in concert,
23 directly or indirectly, disseminated or approved the false statements specified above,
24 which they knew or deliberately disregarded were misleading in that they contained
25 misrepresentations and failed to disclose material facts necessary in order to make
26

1 the statements made, in light of the circumstances under which they were made, not
2 misleading.
3

4 145. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that
5 they:
6

- 7 • employed devices, schemes and artifices to defraud;
8
- 9 • made untrue statements of material facts or omitted to state material
facts necessary in order to make the statements made, in light of the
circumstances under which they were made, not misleading; or
10
- 11 • engaged in acts, practices and a course of business that operated as a
fraud or deceit upon plaintiff and others similarly situated in connection
12 with their purchases of ImmunoCellular common stock during the
Class Period.
13

146. Defendants acted with scienter in that they knew that the public
documents and statements issued or disseminated in the name of ImmunoCellular
were materially false and misleading; knew that such statements or documents
would be issued or disseminated to the investing public; and knowingly and
substantially participated, or acquiesced in the issuance or dissemination of such
statements or documents as primary violations of the securities laws. These
Defendants, by virtue of their receipt of information reflecting the true facts of
ImmunoCellular, their control over, and/or receipt and/or modification of the
Company's allegedly materially misleading statements, and/or their associations
with the Company which made them privy to confidential proprietary information
concerning ImmunoCellular, participated in the fraudulent scheme alleged herein.
28

1 147. The Individual Defendants, who were the senior officers of the
2 Company, had actual knowledge of the material omissions and/or the falsity of the
3 material statements set forth above, and intended to deceive Plaintiff and the other
4 members of the Class, or, in the alternative, acted with extreme reckless disregard
5 for the truth when they failed to ascertain and disclose the true facts in the
6 statements made by them or other ImmunoCellular personnel or Lidingo Defendants
7 to members of the investing public, including Plaintiff and the Class.
8

9 148. As a result of the foregoing, the market price of ImmunoCellular
10 common stock was artificially inflated during the Class Period. Unaware of the
11 falsity of the statements by Defendants, Plaintiff and the other members of the Class
12 relied on the statements described above and/or the integrity of the market price of
13 ImmunoCellular common stock during the Class Period in purchasing
14 ImmunoCellular common stock at prices that were artificially inflated as a result of
15 the false and misleading statements by Defendants.
16

17 149. Had Plaintiff and the other members of the Class been aware that the
18 market price of ImmunoCellular common stock had been artificially and falsely
19 inflated by Defendants' misleading statements and by the material adverse
20 information which Defendants did not disclose, they would not have purchased
21 ImmunoCellular common stock at the artificially inflated prices that they did, or at
22 all.
23

150. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

151. By reason of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of ImmunoCellular common stock during the Class Period.

COUNT II

**(Violations of Section 20(a) of the
Exchange Act Against the Individual Defendants, Bjorlin, and Hodge)**

152. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

153. Defendants named in this count acted as controlling persons of Lidingo and/or ImmunoCellular within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, agency, ownership and contractual rights, and participation in and/or awareness of Lidingo and/or ImmunoCellular's operations and/or intimate knowledge of the false statements.

154. During the Class Period, the Individual Defendants participated in the operation and management of ImmunoCellular, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because

1 of their senior positions, they knew the adverse non-public information about the
2 Company's misstatement and false statements.
3

4 155. As officers and/or directors of a publicly owned company, the
5 Individual Defendants had a duty to disseminate accurate and truthful information
6 with respect to ImmunoCellular financial condition and results of operations, and to
7 correct promptly any public statements issued by ImmunoCellular which had
8 become materially false or misleading.
9

10 156. Because of their positions of control and authority as senior officera,
11 the Individual Defendants were able to, and did, control the contents of the various
12 reports, press releases and public filings which ImmunoCellular disseminated in the
13 marketplace during the Class Period concerning the Company's results of
14 operations. Throughout the Class Period, the Individual Defendants exercised their
15 power and authority to cause ImmunoCellular to engage in the wrongful acts
16 complained of herein. The Individual Defendants therefore, as a "controlling
17 person" of ImmunoCellular within the meaning of Section 20(a) of the Exchange
18 Act. In this capacity, they participated in the unlawful conduct alleged which
19 artificially inflated the market price of ImmunoCellular common stock.
20
21

22 157. Each of the Individual Defendants, therefore, acted as a controlling
23 person of ImmunoCellular. By reason of their senior management positions and/or
24 being directors of ImmunoCellular, the Individual Defendants had the power to
25 direct the actions of, and exercised the same to cause, ImmunoCellular to engage in
26
27
28

1 the unlawful acts and conduct complained of herein. The Individual Defendants
2 exercised control over the general operations of ImmunoCellular and possessed the
3 power to control the specific activities which comprise the primary violations about
4 which Plaintiff and the other members of the Class complain.

5 158. By reason of the above conduct, the Individual Defendants are liable
6 pursuant to Section 20(a) of the Exchange Act for the violations committed by
7 ImmunoCellular.

8
9
10 **PRAYER FOR RELIEF**
11

12 **WHEREFORE**, Plaintiff demands judgment against defendants as follows:

13 A. Determining that the instant action may be maintained as a class action
14 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the
15 Class representative;

16 B. Requiring defendants to pay damages sustained by Plaintiff and the
17 Class by reason of the acts and transactions alleged herein;

18 C. Awarding Plaintiff and the other members of the Class prejudgment
19 and post-judgment interest, as well as their reasonable attorneys' fees, expert fees
20 and other costs; and

21 D. Awarding such other and further relief as this Court may deem just and
22 proper.
23
24
25
26
27
28

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: May 1, 2017

GLANCY PRONGAY & MURRAY LLP

By: s/Lionel Z. Glancy

Lionel Z. Glancy

Robert V. Prongay

Lesley F. Portnoy

Charles H. Linehan

Charles H. Erickson
1925 Century Park East, Suite 2100

1925 Century Park East
Los Angeles, CA 90067

Telephone: (310) 201-9150

Faxsimile: (310) 201-9160

Fax: (313) 261-9188
Email: info@glancylaw.com

WOLF POPPER LLP

Robert C. Finkell

Fei-Lu Qian

Yan Lu Qian
845 Third Avenue

345 Third Avenue
New York NY 10022

New York, NY 10
Tel: 212-759-4600

Tel. 212-755-4000
Fax: 212-486-2093

Tax. #12-480-2095
rfinkel@wolfspopper.com

hinkler@wolfspopper.com
fcian@wolfspopper.com

Attorneys for Plaintiff

**PLAINTIFF CERTIFICATION
UNDER THE FEDERAL SECURITIES LAWS**

I, Arthur Kaye, hereby state, on behalf of Arthur Kaye IRA FCC As Custodian DTD 6-8-00 ("Arthur Kaye IRA"):

1. I have reviewed a complaint against ImmunoCellular Therapeutics, Ltd. ("ImmunoCellular"), certain of its officer(s), other individuals and/or entities, and have authorized the filing of a complaint on my behalf.

2. I am willing to serve as a representative party on behalf of the Class, as defined in the above referenced complaint, including providing testimony at deposition and trial, if necessary.

3. The following includes all of my transactions in ImmunoCellular common stock during the period May 1, 2012 through December 11, 2013.

See attached.

4. I did not purchase these shares at the direction of counsel, or in order to participate in any private action arising under the federal securities laws.

5. During the three-year period preceding the date of signing this certification, I have not sought to serve, and have not served, as a representative on behalf of a class in any private action arising under the federal securities laws.

6. I will not accept any payment for serving as a representative party on behalf of the Class except to receive a pro rata share of any recovery, or as ordered or approved by the Court, including the award to a representative party of reasonable costs and expenses, such as lost wages relating to the representation of the Class.

7. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 30 day of April 2017

By: Arthur Kaye
Arthur Kaye

LIST OF IMMUNOCCELLULAR THERAPEUTICS LTD.
PURCHASES AND SALES

TRADE DATE	PURCHASE OR SALE	QUANTITY	PRICE PER SHARE
5/2/2012	Purchase	90,000	\$2.59
5/8/2012	Purchase	50,000	\$2.11
5/11/2012	Purchase	36,000	\$2.70
6/1/2012	Purchase	10,000	\$3.46
7/24/2012	Purchase	20,000	\$2.85
8/10/2012	Purchase	5,000	\$2.97
8/21/2012	Purchase	10,000	\$2.45
11/14/2012	Purchase	3,500	\$1.59
6/25/2013	Purchase	26,500	\$1.99
7/19/2013	Purchase	30,000	\$2.32
7/30/2013	Purchase	20,000	\$3.08
8/7/2013	Purchase	8,000	\$3.40
8/9/2013	Purchase	25,000	\$3.23
8/27/2013	Purchase	20,000	\$2.91
11/7/2013	Purchase	3,500	\$2.59